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MANAGING ORGANIZATION

VITALITY

by

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ABSTRACT

MANAGING ORGANIZATION VITALITY

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This research had three major objectives: (1) to measure
the extent to which the organization renewal techniques have
been adopted by organizations in both the private and public
sectors, (2) to determine the overall results of these appli-
cations, and (3) to test a number of specific hypotheses re-
garding situational determinants of the success of this
approach.

Phase I of the research consisted of a survey of 70
of the most prominent US organizations having formally practiced
organization renewal techniques to determine their current or-
ganization renewal practices.

In Phase II, comparisons were made of case studies of
several selected firms using the organization renewal approach.

It was found that most of the organizations surveyed have
adopted a large number of the available organization renewal
techniques. It is further concluded that organization renewal
is no longer a mere management fad, but may represent a per-
manent and significant change on organizations in their
approach to management.

It appears that top management involvement is the single
most crucial determinant of the success of organization renewal.
There is convincing evidence that, when organization renewal
is viewed as a "personnel program," it meets with resistance,
is given little support by middle management, and has little,
if any, effect. However, when this technique has top management
support and is viewed as a new approach to management, organization
renewal has frequently been of significant benefit to the organiza-
tion. This influence has most often been reflected in such indirect
factors as motivation, commitment, and morale. Sometimes, this
method has had a direct influence on productivity and profitability.

The training used in the implementation of this approach and
measurement of the impact of organization renewal on the organ-
ization were found to be important determinants of success. Other
situational determinants of the success of organization renewal
are discussed.

Organization renewal has considerable potential for increasing the commitment of individuals, and can have a significant positive influence on the results of the organization. However, it is not an easy approach to implement. It usually takes a year or more of organization renewal to have a real impact on an organization, and even those organizations that have applied it most successfully have had to overcome serious problems.

Based on the results of research, a number of implications for future attempts to apply organization renewal are discussed.

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I - INTRODUCTION

This chapter describes the objectives and scope of the research undertaken to prepare this thesis, and the approach taken.

Objectives

This study has three major objectives:

- To measure systematically the extent to which various organization renewal techniques have been adopted by major American organizations in both the private and public sectors

- To determine the overall results of applications of this approach and to draw general conclusions concerning its potential value and obstacles to its implementation

- To test a number of specific hypotheses regarding situational determinants of the success of this approach.

SCOPE

The scope of the research included the organization renewal programs and plans currently in use by a number of leading United States organizations, in both the private and the public sectors, with special emphasis placed upon the organization renewal procedures of those organizations known or thought to have adopted behavioral science techniques, to some degree.

Approach

1. An extensive review was made of the literature on organization renewal, and especially the specific techniques available. In reviewing the literature, an attempt was made to trace historically the changes in the approaches taken in organization renewal, and particularly to relate this trend in theory and practice to the relatively recent impact of the organization renewal concept.

In order to put the research relating to organization renewal into perspective and to provide a framework for analysis, an attempt was also made to obtain a comprehensive understanding of the diverse techniques contained in the recent literature concerning organization development.

In this research study, organization development was viewed as an overall approach to management, with specific organization renewal techniques being an important subprocess but only a part of the overall approach.

2. A questionnaire was mailed to 70 of the most prominent U.S. organizations and organization development experts in the private and public sectors, which are known to be practicing be-behavioral science techniques according to OD Network membership and other sources. The questionnaire was designed to determine:

-Whether the organization has any formal process of organization renewal

-The mechanics of their process and its goal

-Those individuals or positions of the organization to which the process is applied

-Their experiences with the process, and both subjective and objective evaluations of its success

-Their future plans for modifying the organization renewal approach.

3. The questionnaire responses were then tabulated and analyses were performed to test the specific hypotheses of the study.

4. On the basis of questionnaire responses, four organi-
zations that have adopted the organization renewal approach
were selected for more detailed analysis. Two of these were
selected at random from those having reported in the questionnaire
that their program had been highly successful. The other two
were selected on the basis of having reported less successful
or mixed results. Interviews were held with the officials of these
organizations who had answered the questionnaire to gather more
detailed information on the approach used, to sample reactions to
the approach, and to obtain additional evaluations of its success.

II - BACKGROUND DATA AND DEFINITIONS

Over the last several years, some organizations have
adopted new approaches to maintaining organizational vitality
and avoiding organizational stagnation. These programs fall
within the general area of organizational development and
have gone under a variety of names. They will be referred to here
as "organizational renewal." The origin of these new approaches
lies in the writing of such commentators as Beckhard, Lippitt
and Burke. Professor Richard Beckhard defines organizational
renewal as follows: "An effort (a) planned, (b) organization-
wide, (c) managed from the top, to (d) increase organization
effectiveness and health through (e) planned intervention in
the organization 'process', using behavioral-science knowledge."[1]

Professor Gordon Lippitt gives the following definition:
"Organizational renewal is the process of initiating, creating
and confronting needed changes so as to make it possible
for organizations to become or remain viable, to adapt to new
conditions, to solve problems, to learn from experiences, and
to move toward greater organizational maturity."[2]

Dr. Warner Burke's definition is: "The development of
a culture which institutionalizes the use of various social
technologies to regulate the diagnosis and change of inter-
personal group and intergroup behaviors, especially those

behaviors related to organizational decision making, communication, and planning."[3]

The purpose of this thesis is to determine which organization renewal processes have been adopted, the experience which has been obtained to date which such programs and an evaluation of their effectiveness. We have particular interest in the success of organization development techniques used during adversities, such as revenue/budget cutbacks, personnel cutbacks, salary compression, recession, inflation, and/or other similar conditions.

Different practitioners in the field use a wide variety of organization renewal approaches or techniques. This chapter attempts to put organization renewal into some perspective--to describe in a clear and organized fashion the various organization renewal techniques which seem to be most prevalently in use today. The primary thrust of the chapter then provides a description of the better-known approaches to OD, which range from relatively impersonal techniques concerned primarily with overall organization design through those techniques which are highly personal in nature. Throughout, a systems and systematic design is followed. Organizations are viewed as systems composed of inter-related and interdependent subsystems in dynamic interaction. The material contained in the chapter can be applied to a wide variety of organizations, both profit and nonprofit.

The organization renewal techniques discussed here fall into
the following general categories: A. Basic "Tools" for Organiza-
tion Renewal; B. Diagnostic Intervention; C. Planning For and
Development of Human Resources; and D. Redesign of Work and Total
Organization. The techniques which constitute these four groupings
will be discussed in some detail in the following pages.

A. BASIC TOOLS FOR ORGANIZATION RENEWAL

The following three techniques are considered basic tools
for use in organization renewal.

1. Consultant/Change Agent

A change agent or process consultant is an individual whose
primary job is to bring about normative change in the organization.
Schein defines process consultation (PC) as "a set of activities
on the part of the consultant which help the client to perceive,
understand, and act upon process events which occur in the client's
environment."[4] A similar definition is given by French and Bell:
"In process consultation...there is an almost exclusive focus on
the diagnosis and management of personal, interpersonal, and
group processes."[5] As is clear from these definitions, the pro-
cess consultant does not offer "expert help" in the sense of
giving solutions to problems or acting in the "doctor-patient
model." Rather, the process consultant observes groups in action
and helps them to diagnose the nature and extent of their problems

and to learn to work together better by learning to solve their own problems. The process consultant as Schein points out, "seeks to give the client 'insight' into what is going on around him, within him, and between him and other people."

2. Task Force Approach

The use of task forces, project groups, special teams, ad hoc groups, or other temporary organized systems are to be found somewhere in most organizations at some time. The term "temporary," however, may refer to one week or several years, depending upon the nature of a given temporary group and its objectives. Task forces may be composed of representatives of several organizational levels, in order to bring differing perspectives to bear on the group's task. Sometimes the different levels come from one fuctional area, such as manufacturing or marketing, if the group's task is primarily related to that function. In a functionally organized company or agency this kind of multilevel representation is often called a "vertical slice" of the organization. Task forces may also be composed of persons from different functional areas of the organization in order to bring several kinds of professional skill or expertise to the group. When these persons are of equivalent rank in the organizational hierarchy, the result is referred to as a "horizontal slice." A "diagonal slice" includes persons representing hierarchial levels, while a "work-family" task force is composed of indivi-

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duals who regularly work together, including the unit head and at least some of the subordinates.[6]

The purpose of such task forces can vary even more than the basis for composing their memberships. Any of them may be charged with responsibility for analyzing a situation to determine the nature of a problem or their job may be to propose solutions and recommend strategies. They may be responsible for action, and implementation, or they may be established to measure the progress of some organizational effort. Their concerns can range over new product development, reorganization, cost or waste reduction, marketing strategies, personnel turnover problems, production improvement, and so on.

3. Team Building

Any organization depends on the cooperation of a number of people if its work is to be done effectively. Consequently, groups or teams of people come together on a permanent or temporary basis to accomplish work. Temporary teams can function for a matter of days or weeks; permanent teams, over a long period of time. Teams can work together in functional or dysfunctional ways; if the team's work is dysfunctional, there are ways of improving its effectiveness.[7] Team building has been defined as any planned event with a group of people who have or may have common organization relationships and/or goals which are designed to improve the way in which work gets done by them in some way or another. Teams can be categorized as follows: (1) groups reporting to the same hierarchical supervisor; (2) groups involving people with common organizational aims; (3) temporary groups formed to do a specific, but temporary, task; (4) groups consisting of people whose work roles are interdependent; and (5) groups whose members have no formal links in the organization, but whose collective purpose is to achieve tasks they cannot accomplish as individuals.

B. DIAGNOSTIC INTERVENTIONS

The following four techniques constitute means of organization renewal diagnostic interventions.

1. Survey Feedback

The process of collecting data about the system and feeding it back for analysis by all levels of the organization is called survey feedback.[7] This includes the use of attitude surveys and of workshops. An attitude survey, if properly used, can be a powerful tool in organization improvement. Most attitude surveys are not used in an optimal way-- at the maximum, most give top management some data for changing practices or provide an index against which to compare trends. At the minimum, they are filed away with little of consequence resulting. Symptomatic of the lack of knowledge about how to use surveys effectively is the fact that most textbooks on personnel management do not refer to systematic data feedback in connection with their use for organization improvement. Those texts that do comment on feedback do so in a most cursory way. Data collection is only part of the process; appropriate feedback is an equally significant aspect.[8]

2. Open Systems Planning

While systems differ in the degree to which they are in an open versus a closed state, organizations and subparts of organizations are essentially open systems in that they exist in inter-dependent, exchange relationships with their environments. The more

effectively these exchange relationships - that is, the interfaces
- are managed in terms of utilizing inputs, the less the system is
subject to entropy, that is, running down, becoming marginal or
obsolete, or going out of existence. The external interfaces must
be managed properly. Open system planning is the process whereby
these exchange relationships or interfaces are effectively planned
such that they will be managed with greater efficiency and in a
way that benefits the organization.[9]

3. Confrontation Meeting

The confrontation meeting, developed by Richard Beckhard,
is a one-day meeting of the entire management of an organization
in which they take a reading of their own organizational health.[10]
In a series of activities, the management group generates infor-
mation about its major problems, analyzes the underlying causes,
develops action plans to correct the problems, and sets a schedule
for completed remedial work. This intervention is an important
one in organization development; it is a quick, simple, and reli-
able way to generate data about an organization and to set action
plans for organizational improvement. Beckhard believes that the
confrontation meeting provides a quick and accurate means for
diagnosing organizational health, promotes constructive problem
identification and problem solving, enhances upward communication
within the organization, and increases involvement and commitment
to action on the part of the entire managerial group.[11]

4. Sensing Mechanisms

Sensing is a group-interviewing technique used for organizational diagnosis or to improve upward communication. This technique is usually used by upper-level managers to get inputs on the problems, issues, concerns, needs, and resources of employees with whom these managers have limited personal contact. An organization development specialist brings together members of a work group, or representatives of work groups from several levels and functions, to talk about their concerns in an unstructured group-interview session. These sessions are recorded (audio or visual tapes), and the manager requesting the data reviews the tapes to get a "feel" or "sense" of the organizational climate.[12]

C. PLANNING FOR AND DEVELOPMENT OF HUMAN RESOURCES

The following paragraphs cover six organization renewal techniques for planning and development of human resources.

1. Management Retreats on Goals/Functions

The management retreat offers opportunities to improve the quality of membership in various associations and to participate in diverse human activity. The basic reasons that organizations have management retreats include several areas; among which are the following: (1) clarification of and reaching concensus on organization goals; (2) working out interpersonal relations among top managers; (3) creating a top management team; etc. Management

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retreats incorporate concepts of several kinds, including concepts
of goals and values. The achievement of these goals requires that
the participants understand their internal needs, values, percep-
tions and resources of themselves, the other participants and the
organizational structure context within which these participants
operate. The retreat is based on the assumption that understand-
ings and skills of participation can be learned more validly
through processes of participation in which the learner is invol-
ved. Retreat activities are thus social process events in which
attendees are invited to fully participate and in which such par-
ticipation is vital to the success of the process.[13]

2. Seminars

In the in-house seminar form, staff organizations bring
educational resources to the organization's headquarters, or
other suitable location, on a systematic basis.[14] A number of
the largest American corporations run such seminars almost con-
tinually. This is particularly useful in a situation when an
organization is introducing a new management practice, such as
a performance improvements program. The organization may turn
to outside help for the education of its leadership of the pro-
gram throughout various levels of the organization. There are
a number of consulting groups that specialize in this type of
program installation or implementation and can be found in any
number of locations throughout the United States and Europe.

The Seminar program can have significant influence on a particu-
lar manager's image of the organization and can (and does) ulti-
mately impact other areas of the organization. It is also impor-
tant to integrate this program with job design considerations.

3. Manpower Planning and Development

Growth in organizational effectiveness follows proper utili-
zation of manpower; and proper utilization requires education,
training, planning, and guided on-the-job development.[15] The
human assets of the organization increase steadily in worth in
the environment resulting from this kind of management.[16] The
first stage in the management of managerial and human resources
lies in the planning for management and other human resource
manpower. Manpower planning results in staffing plans and stems
from the integration of business plans, economic forecasts, and
labor market forecasts. The techniques of organizational devel-
opment of organization plans. He may assume the task of formu-
lating manpower forecasts and staffing plans at higher management
levels and work as a coordinator and consultant with the human
resources or personnel manager at middle and first-line manage-
ment levels.

4. Career Path Planning/Assessment

There is a great deal of research indicating that many
major career decisions take place after the individual takes on

the first job. Indeed, it has been suggested that the exploratory
and establishment stages overlap and that a great deal of major
job shifting takes place during the first few years of an indivi-
dual's work life. There are several approaches to career life
planning. One approach has a number of different steps. At each
step, the individual first works privately and then shares his
data with his group (consisting of about 10-15 people). These
exercises, which have been used in workshops within a particular
organization, include: (1) drawing a line (which can be either
"Psychological" or "Chronological") representing the individual's
life to date and then projecting it into the future; (2) respond-
ing to the question "Who am I?"; (3) developing a career/life
force-field analysis of growth and restraining forces; (4) writing
a hypothetical obituary, including an epitaph, about oneself;
(5) describing a "fantasy" day, a "special" day the individual
would love to experience, or a "typical day," characterizing
the individual's life; and (6) completing a career/life inventory,
generating answers to a list of seven questions about the indivi-
dual's values and the available resources for utilizing those
resources. When used in a group, the completion of the inventory
and the discussion in the groups takes about 10-15 hours. In
addition, the inventory can be helpful in vocational counseling
on an individual basis.[17]

William C. Byham describes what he calls "assessment centers" as a method to obtain a basis for making promotion decisions. A number of complaints have resorted to this approach. The assessment procedure simulates the situations with which an individual would be confronted if he were actually promoted and develops information on how well he would likely perform at the new, higher position. This all takes place before the decision is actually made to promote the individual.[18]

5. Sensitivity Training

Sensitivity-training laboratories were a cornerstone of early organization renewal efforts. These are used less frequently now as interventions, but they are still an important part of organization renewal techniques. The reduction in the use of sensitivity training (or T-groups, T for training) is said not to be due to its lack of effectiveness or its appropriateness for organization renewal, but rather more to its being supplanted by such interventions as team building and process consultation. T-groups are still an excellent learning and change intervention, particularly for the personal growth and development of the individual.[19] A T-group is an unstructured, agendaless group session for about ten to twelve members and a professional "trainer" who acts as catalyst and facilitator for the group.[20] The data for discussion are the data provided by the interaction of the group members as they strive to create a viable society for themselves.

Actions, reactions, interactions, and the concomitant feelings
accompanying all of these are the data for the group. The group
typically meets for three days up to two weeks. Conceptual
material relating to interpersonal relations, individual person-
ality theory, and group dynamics is a part of the program. But
the main learning vehicle is the group experience.[21]

6. Middle Management Training

     A number of the largest American organizations in the public
as well as private sector run continuous schools for middle and
upper-middle management, at which a parade of experts and consul-
tants appears, each discoursing on his own specialty.[22] The
management is thus exposed to a fairly extensive survey course
on the state of the art in a particular area of interest. The
arrangement between the organization and the training establish-
ment is for specific program coverage and may be internal or ex-
ternal to the parent organization.

D. REDESIGN OF WORK AND TOTAL ORGANIZATION

     The following paragraphs cover six organization renewal
techniques for redesign of work and total organization.

1. Managerial Grid

     Perhaps the most thoroughgoing and systematic organization
development program is that designed by Robert R. Blake and

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Jane S. Mouton, Grid Organization Development.[23] In a six-phase

program lasting about three to five years, an organization can

move systematically from the stage of examining managerial behav-

ior and style to the development and implementation of an "ideal

strategic corporate model." The program utilizes a considerable

number of instruments, enabling individuals and groups to assess

their own strengths and weaknesses; it focuses on skills, know-

ledge, and processes necessary for effectiveness at the individual,

group, intergroup, and total-organization levels. The organiza-

tional program is conducted by internal members who have been pre-

trained in grid concepts. Basic to the Grid OD program are the

concepts and methods of the Managerial Grid, also developed by

Blake and Mouton, a two-dimensional schematic for examining and

improving the managerial practices of individual managers.[24]

One dimension underlying this diagnostic questionnaire is "concern

for people"; the other dimension is "concern for production."

The most effective managers are those who score high on both of

these dimensions - described as follows: "Work accomplishment is

from committed people; interdependence through a 'common stake'

in organization purpose leads to relationships of trust and

respect."[25]

2. Work Planning and Review or Management by Objectives

The Work Process Planning and Review (WPPR) or Management

by Objectives (MBO) approach is an attempt to establish a better

"fit" between personal and organizational goals by increasing communications and shared perceptions between the manager and his subordinates, either individually or as a group.[26] However, one of the difficulties with the term MBO is that there are so many definitions of it.[27] For some, MBO is a more sophisticated approach for appraisal than is personality-trait rating. For others, MBO is tied to the budgetary process, so that a one- or five-year business plan is called MBO. For other organization renewal practitioners, MBO is actually a variation of the planning process.[28] Currently, however, little distinction is made among the different approaches; rather the organization frequently attempts to use a single approach to satisfy several of these defferent objectives.[29] An MBO program can be considered as part of an organization renewal program only if it goes beyond the one-on-one manager/subordinate relationship with imposed goals. Rather, the focus must be on problem-solving discussions involving work teams as well. Setting goals and reviewing individual performance must be considered within the larger context of the job. In addition to organizational goals, the MBO process must give attention to individuals' personal and career goals and try to make these and organizational goals more complementary. The target-setting procedure must allow real (rather than simulated) subordinate participation in goal setting, with open, problem-centered discussions among team members, supervisors, and subordinates.[30]

3. Job Design/Enrichment?Rotation

Although the terms "job enrichment" and "job enlargement"
were used interchangeably, in the past, most people now distin-
guish between them. Job enlargement refers to adding activities
horizontally to a job (i.e., activities over a broader number of
areas). However, this approach is not perceived as an organiza-
tion development effort by most practitioners, since it adds
nothing meaningful to the job. Job enrichment, on the other
hand, refers to adding both vertical and horizontal activities to
a job (i.e., more depth as well as breadth of activities), there-
by providing "the whole person" with a "whole job."[31] A "whole
job" consists of three basic elements; planning the job, or
deciding how something is to be done; doing the job, or actually
performing the job, or obtaining feedback at the first two steps
and taking appropriate corrective actions. Particularly, at the
clerical and "blue-collar" levels many jobs are designed so that
there is a separation between the actual doing and the planning
and evaluating.[32]

4. Flexible Working Hours

The term "flexible working hours" refers to any variation
from the normal five-day, fixed-time work week whereby the worker
comes to work at a set time and leaves at a set time. "Flexible
working hours" may refer to the four-day, forty-hour week,
whereby employees work ten hours a day but get either a three-

day weekend or a day off in the middle of the week.[33] "Flexible working hours" may also refer to a program whereby workers agree to be on the job during a core period, e.g. between 9AM and 3PM, although they are free to select their own starting and stopping times, as long as they work a certain number of hours each day. Some companies use a mixture of the two types of programs.[34] Various forms of changed work week are occurring at a worldwide level. Whether or not this is an "OD" program is still problematical, and much more research is necessary as to the best method of going about installing such programs to satisfy the needs of both the individual and the organization.

5. Scanlon Plan

The Scanlon Plan is built around the premise of labor and management working together to increase productivity by decreasing labor costs of production. Any reduction in labor costs is shared between management and labor at a pre-determined ratio. From historical data derived from company operations during a normal operating period, information to compute a ratio between labor costs and production output is obtained. The object, then, of future management and labor efforts is to improve the current ratio over past data. In those operating periods where there is an improved ratio, the amount of improvement in dollars is split among management, a reserve for negative operating periods, and the work force on a pre-set formula basis. Based on the improve-

ment, each employee will receive a percentage of his work period wages in a separate check which represents his share of the labor cost improvement.[35] There have been successes and failures in the forty year history of the Scanlon Plan. Key elements of success have been a demonstration by both management and labor of the following traits: cooperative attitude; problem solving confrontation, trust and confidence; acceptance of change; and a willingness to work together.

6. Reorganization

Reorganization is frequently required to improve organization performance. Organization health is almost synonymous with organization change. In every organization there is an elusive balance between fear of change and the desire for change.[36] Future tendencies for organization change may be more anticipatory than reactive as compared with past history. This stems from managers becoming more perceptive in monitoring the environment and in formulating sounder planning assumptions and action plans. The parameters of the reorganization is a reflection of the chief executive officer's views of the situation.

III - METHOD OF RESEARCH

The research for this thesis was divided into two
phases

    - In Phase I, a survey questionnaire was mailed
to appropriate top executives in each of 70 of the most
prominent United States organizations in both the private
and public sector known to practice behavioral science
techniques.

    - Phase II consisted of detailed followup studies
of a sample of several companies that had indicated in
the questionnaire that they had judged their program
as either highly successful or somewhat less successful.

Phase I

A survey questionnaire was mailed to the appropriate
top executive of the aforementioned organizations.
The name and title of each executive to which the questionnaire
was addressed were determined from (1) discussions with
several of the nations leading organizational development
experts from the academic as well as non-academic world. and (2)
search of available literature on this subject including the

membership list of the Organizational Development Network.
Where a title such as Vice President or Director of
Organization Development or Management Development was
listed, the questionnaire was directed to that individual.
If no such title were listed, the questionnaire was directed
to the Vice President or Director of Personnel (if listed),
the Vice President or Director of Industrial Relations
(if listed), or the Vice President or Director of
Administration.

The questionnaire was accompanied by a covering
letter describing the objectives and general design of the
research and requesting the cooperation of the addressed
executive in completing the questionnaire. The questionnaire
and the cover letter are presented as Appendix A at the end
of this thesis.

The questionnaire was designed to determine:

- Whether the organization has any formal process of
  organization renewal

- The mechanics of their process and its goals

- The means of introduction and training used

- Those portions of the organization to which the
  process is applied

- The extent of top management involvement in and
  support of the process

- Their experiences with the process, and both sub-
  jective and objective evaluations of its success,
  including problems encountered, if any

- Their future plans for modifying the organization
  renewal approach.

Four weeks after the mailing, a total of 31 usable
responses to the questionnaire had been received and were
tabulated for the survey. A few additional responses came
in later, but they were excluded from the tabulation.

The survey responses of each individual organization
were tabulated, transcribed to a pair of IBM punched cards,
and a simple tabulation was performed on a 370 computer,
using the MIT Information Processing Center.

Selected cross-tabulations of significant items in the
questionnaire were then performed, using the SPSS program of
the MIT IPC 370 computer.

The following specific hypotheses concerning the rela-
tionship of responses to selected items on the questionnaire
were tested:

1. There is a significant correlation between the
amount and type of instruction used in the introduction of
an organization renewal program and its success.

2. Significantly more successful applications of organ-
ization renewal will be reported by organizations indicating
an attempt to measure the impact of the program on objective
criteria, such as volume, quality, profits, morale, and turn-
over than those which do not measure.

3. There is a significant correlation between the extent of top management involvement and support of an organization renewal program and its relative success.

4. There is a significant correlation between the frequency of follow-up and review of the process results and the success of the program.

Testing each of these hypotheses involved statistical analyses of the relationship between two specific items from the questionnaire. In each case, the relationship of the two relevant items was first investigated, using a chi square test. The chi square statistic requires no assumptions about the distribution of the population from which a data sample is drawn. It only indicates the existence of a relationship between two variables—that is, the chi square statistic indicates whether a relationship exists between two variables.

Phase II

On the basis of the survey questionnaire responses,
four organizations which have adopted the organization
renewal approach were selected for further analysis;
two were selected on the basis of having reported in the
questionnaire that their organization renewal program
had been highly successful. The other two had reported less
success or mixed results. Interviews were held with appro-
priate officials in the organizations, to gather more de-
tailed information on the appraisal approach used, to sample
reactions to the approach, and to obtain additional evaluation
of its success in accomplishing the goals established for
the organization renewal program.

In selecting the organizations for detailed study, no
attempt was made to select on a random basis. The detailed
studies concentrated on comparing and contrasting both the
results of the various programs adopted by the organizations
studied and the reaction to the programs of the people who
used it. Because of the small sample size, no statistical
analyses were made of the detailed studies, but the organizations
and their approaches to organation renewal were compared on
a more general basis.

The guide used for the interviews is shown in
Appendix B. The same interview guide was used for all
individuals.

Each of the detailed organization studies was initiated
by contacting that individual in the organization who had
completed the survey questionnaire. The purpose of the de-
tailed study was explained and the cooperation of the
organization requested in completing the interviews. Each
of the organization contacted readily agreed to the study.

IV. SURVEY QUESTIONNAIRE RESULTS

A. Summary Totals of Responses

A total of 31 usable responses to the survey questionnaire were received and tabulated. The usable responses to the questionnaire thus represented 45 per cent of the 70 firms surveyed.

The response to the survey by section (private or public) is shown in Table 1.

T A B L E 1

RESPONSE TO SURVEY, BY SECTOR

Sector	Organizations Surveyed	Did Not Respond		Responded	
		Number	Per Cent	Number	Per Cent
Private Sector	54	30	54	24	46
Public Sector	16	9	56	7	44
Total	70	39	55	31	45

Because of the design of the questionnaire (some questions are contingent upon the answers to previous questions), the total number of respondents tabulated varied from question to question. For example, since almost all of the respondents indicated (in Question 1) that their organization had a formal organization renewal plan, they could not answer, for instance, Question 22, whose preface is "if you do not have a formal organization renewal plan." - 39 -

For this reason, all percentages shown throughout this chapter are based on the total number of respondents for each table. Percentages total more than 100 per cent in some tables, since multiple responses were appropriate for some questions.

The responses of the 31 organizations to each of the questions on the survey questionnaire are shown in Tables 2 through 34.

As seen in Table 2, 97 per cent of the organizations say they have organization renewal plans of some type. This is to be expected since the surveyed organizations were selected as those thought to be prominent in the organization development field.

TABLE 2

RESPONSES TO QUESTION 1

	YES		NO		TOTAL	
	Number	Per Cent	Number	Per Cent	Number	Per Cent
Does your organization currently have a plan for organization renewal or prevention of organization stagnation?	30	97	1	3	31	100

Table 3 shows that 63 per cent of the organizations apply their renewal plan throughout the organization.

TABLE 3

RESPONSES TO QUESTION 2

	Responses	
	Number	Per Cent
Is the application of your plan:		
a) limited to certain geographical or product subdivisions?	4	13
b) limited to certain functional divisions or departments?	1	4
c) limited in accordance with both (a) and (b) factors?	7	20
d) not limited--applied organization wide?	19	63
Total	31	100

- 41 -

The remaining organizations were about evenly divided

on the three alternative methods of limiting application

of the plan.

As seen in Table 4, 24 per cent of the organizations par-

ticipating in the survey said that cost reduction and/or increased

productivity was top management's principal goal in adopting

the organization renewal approach.

TABLE 4

RESPONSES TO QUESTION 3

	Responses	
		Per
	Number	Cent
What was the principal reason for top mana-gement's decision to adopt an organization renewal program?		
a) cost reduction and/or increased pro-ductivity	23	24
b) stimulate organization development	16	17
c) increase employee satisfaction	20	21
d) increase participation in planning and decision making	18	19
e) increase organizational motivation	16	17
f) improve organizational planning	15	16
g) other (specify)	6	6
	94	100

Total

About 21 per cent of these organizations said that

increasing employee satisfaction was the principal goal of

the approach. Of the companies surveyed 19 per cent said organi-

zation renewal was adopted primarily to increase participation

in planning and decision making. A significant (36 per cent) proportion of the organizations said that the principal aim of the approach was to motivate or to develop their employees.

As seen in Table 5, 20 per cent of the organizations participating in the survey said that morale appears to be the area most adversely effected when adversities are encountered.

T A B L E   5

RESPONSES TO QUESTION   4

	Responses	
	Number	Per Cent
What areas appear to be most adversely effected when adversaties are encountered by your organization (check as many as apply):		
a) volume	16	15
b) quality	8	8
c) morale	21	20
d) motivation	12	12
e) creativity	12	12
f) image	8	8
g) turnover	8	8
h) profitability/cost effectiveness	15	15
i) technology edge	2	2
j) other (specify)	0	0
Total	102	100

Nearly 15 per cent of those organizations said that volume was the area most adversely effected and another

15 per cent said that profitability cost/effective-
ness was the area most adverely effected.

Table 6 shows the means by which the organizations parti-
cipating in the survey detect deterioration in morale,
motivation, creativity, and image. The responses revealed that
the most dominant means used is employee surveys, meetings and
interviews. These means were used in the detection of
deterioration of all of the key variables indicated.

T A B L E   6

RESPONSES TO QUESTION 5

Key Variables

By what means do you detect deterioration in:	Morale	Motivation	Creativity	Image
Surveys	X	X	X	X
Interviews(exit or otherwise)	X	X	X	X
Turnover	X	X		
Grievances	X			
Line Channels	X			
Productivity	X	X	X	
Lost and down time		X		
Absenteeism		X		
Quality		X		
Innovation efforts drop			X	
Rumors	X			
Employee meetings	X	X	X	X
Budget cut				X

- 44 -

Table 7 shows that of the participating organizations 33 per cent indicated that top management is responsible for monitoring the organization renewal key variables to detect when corrective action is required and goals have been accomplished. 23 per cent indicated that the organization development function is responsible for this area.

TABLE 7

RESPONSES TO QUESTION 6

	Response	
	Number	Per Cent
Who is responsible for monitoring the organization renewal key variables to detect when corrective action is required and goals have been accomplished?		
a. top management	21	33
b. middle management	12	19
c. lower management	6	10
d. organization development function	14	23
e. other (specify)	9	15
Total	62	100

As indicated in Table 8, over 41 per cent of the organizations surveyed monitor these variables more frequently than monthly; 26 per cent do their monitoring on an annual basis.

TABLE 8

RESPONSES TO QUESTION 7

	Responses	
	Number	Per Cent
How frequently does monitoring take place?		
a) practically never	1	3
b) annually	8	23
c) semiannually	3	12
d) quarterly	5	15
e) monthly	2	6
f) more frequently than monthly	12	41
Total	34	100

As shown in Table 9, 60 per cent of the organizations responding
have made a systematic attempt to measure the effect of their
organization renewal program in terms of its impact on such con-
crete objective criteria as volume, quality, profitability,
morale, and turnover.

TABLE 9

RESPONSES TO QUESTION 8   Responses

	Yes		No		Total	
	Number	Per Cent	Number	Per Cent	Number	Per Cent
Has there been a systematic attempt to directly measure the impact and success of the program in terms of concrete objective criteria such as volume, quality, profitability, morale, turnover, etc.?	18	60	13	40	31	100

- 46 -

Nearly 40 per cent are apparently willing to continue an organization renewal program without attempting a formal evaluation of its impact. While there are obvious technical difficulties in attempting to isolate the effect of any one variable, it is somewhat surprising that no more than 60 per cent attempt to make such measurements.

Those organizations which have attempted to measure the effect of their organization renewal programs feel, almost unanimously (as shown in Table 10), that such measurements reveal a positive result for the program. With the exception of image and turnover criteria, none of the organizations indicated a negative result for its organization renewal program, and relatively few said that "no change" was the result of the program. "Morale" and "motivation" were the two positive criteria most frequently cited (17 per cent and 17 per cent, respectively). Measures showing a positive effect on profitability, volume, and turnover were cited less often.

T A B L E 10

RESPONSES TO QUESTION 9

What has been the observable impact of the program as a whole on the following criteria:

	No Measure		Negative		No Change		Positive		Total	
	Number	Per Cent	Number	Per Cent	Number	Per Cent	Number	Per Cent	Number	Per Cent
a. volume	7	9	0	0	6	20	12	10	25	11
b. quality	7	9	0	0	2	7	14	12	23	10
c. morale	4	5	0	0	2	7	20	17	26	12
d. motivation	5	7	0	0	1	3	19	17	25	11
e. creativity	10	13	0	0	4	13	9	8	23	10
f. image	9	12	2	67	2	7	10	9	23	10
g. turnover	6	8	1	33	7	23	10	9	24	11
h. profitability/ cost effect	10	13	0	0	3	10	12	10	25	11
i. technology edge	15	20	0	0	2	7	4	3	21	9
j. other	3	4	0	0	1	3	5	4	9	4
Total	76	100	3	100	30	100	115	100	224	100

The techniques listed in Table 11 are described in some detail in Chapter II. As seen in this Table, the largest proportion (94 per cent) of the 31 participating organizations use the consultant/change agent techniques. This approach is followed by survey feedback, work planning and review (or MBO) and team building, each with 90 per cent. By glancing at the first two columns of Table 11, the reader can ascertain these numbers and percentages of the 31 participating organizations who use which techniques. These columns are arranged in descending order of usage prevalence.

The next six columns of Table 11 indicate that the majority of the participating organizations perceive the impact of most of the techniques they have used to be positive. The number of negative impacts are relatively few. The technique most frequently cited as having a positive effect was team building (81 per cent). The next most frequently cited positive impact was for management retreats and survey feedback, each with 74 per cent. The technique most frequently cited for its negative impact was job design/enrichment/rotation with 10 per cent.

Here again, it appears that a number of organizations have no specific measure of the impact resulting from each individual organization renewal technique, as can be seen in the last two columns of Table 11.

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As Table 12 indicates, 88 per cent of the respondents thought that their organization renewal programs were either moderately or highly successful, 6 per cent considered their programs mediocre, 6 per cent felt the program was rather unsuccessful, and none said that the program was nearly a total failure.

T A B L E   12

RESPONSES TO QUESTION 11

	Responses	
	Number	Per Cent
How would you evaluate the success of the program to date in achieving its principal goals (the purposes for which it was instituted?)		
a) highly successful	8	26
b) moderately successful	19	62
c) mediocre	2	6
d) rather unsuccessful	2	6
e) nearly a failure	0	0
Total	31	100

This distribution very likely reflects a positive bias of the respondents in evaluating a program for which they felt responsible. From the standpoint of the statistical analyses performed in testing specific hypotheses, it is unfortunate that the responses to this item were skewed on the high side. A better distribution over the entire range of alternative would have been more helpful. In any case, although the responses are distributed over four alternatives instead of all five, it would appear that the range

of responses is sufficient to make statistical analysis
of the relationship between this item and other items
meaningful.

Table 13 shows that of the participating organizations,
only a very few (9 per cent) have systems designed solely
as a one-shot system for problems after they arise; 34 per
cent indicated that their organization renewal system is
designed to operate as an on-going system continually applied
to prevent problems before they arise, and 57 per cent of the
organizations use their system in this manner as well as to
take care of problems after they arise.

T A B L E 13

RESPONSES TO QUESTION 12

	Responses	
	Number	Per Cent
Which of the modes is your system designed to operate in:		
a. as an on-going system continually applied to prevent problems before they arise?	11	34
b. as a one-shot system for problems after they arise?	3	9
c. both (a) and (b) above?	19	57
Total	31	100

Table 14 shows that the vast majority of the organizations surveyed (71 per cent) have an organization renewal system designed to deal with both externally and internally generated adversities. Only 11 and 9 per cent of the respondents indicated that their system was designed to deal only with one or the other type adversity (i.e., internally or externally generated, respectively).

T A B L E   14

RESPONSES TO QUESTION 13

	Responses	
		Per
	Number	Cent

Which of the following types of factors is your organizational renewal system designed to deal with:

	Number	Cent
a. externally generated adversities (i.e. recession, budget cut, competition,etc.)	3	9
b. internally generated adversities (i.e. limit growth prospects, etc.)	4	11
c. both (a) and (b) above	20	71
d. other, (specify)	4	11
Total	31	100

Table 15 indicates that of the organization renewal systems designed to include concern with externally-generated adversities, the responses seemed to be fairly evenly spread among most of the various symptoms indicated.

T A B L E   15

RESPONSES TO QUESTION 14

	Response	
		Per
	Number	Cent

	Number	Cent
If your answer to the above question was "external" please indicate the factors your process deals with (check as many as apply):		
a. economic recession	12	15
b. inflation	9	11
c. reduction in budget	14	17
d. reduction in work force	14	17
e. freeze in promotions or salaries	5	6
f. freeze in maximum salary	4	5
g. competition from other organizations	10	12
h. high cost of living for certin locations	4	5
i. deterioration of public image or public support	9	11
j. other (specify)	1	1
Total	82	100

Table 16 is a summary of some of the listed single most critical or complex adversities or problems with which the respondents' organization renewal programs must deal.

T A B L E   16

RESPONSES TO QUESTION 15

What is the single most critical or complex adversity or problem with which your organizational renewal program must deal?

(continued on next page)

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TABLE 16 continued.

Credibility
Integration of line and staff efforts
Perpetuating growth
Keeping compensation even with inflation and taxes
Individual commitment to status quo and individual power base
Diversity of corporate needs
Lack of new business development
Violent strike six years ago
Quality of service
Lack of time and limited staff
Communications
Profitability
Resource allocation (people, space, time, energy)
"Flat" earnings resulting in risk aversion and morale problem
Limited staff
Lack of good managers for promotion during growth
Societal norms of avoidance; indirection
Declining sales volume
Reduced budget; change in Administration (Federal Covernment)
Maintaining constant and accurate perspective of agency goals
Complexity; constantly changing forces which impact business
Failure of Congress/OMB to appreciate positive internal achievements
Losing a competition for a job

Table 17 indicates that the vast majority (87 per cent)

of the respondents indicated that their organization renewal

program had survived in bad times as well as good.

RESPONSES TO QUESTION 16

	Responses	
	Number	Per Cent
Has your organization renewal program survived in bad times as well as good?		
Yes	27	87
No	4	13
Total	31	100

As can be seen in Table 18, all of the respondents consider their organization renewal program as important during prosperity as during adversity.

T A B L E   18

RESPONSES   TO QUESTION   17

	Responses	
	Number	Per Cent
Do you consider your organization renewal program as important during prosperity as during adversity?		
Yes	31	100
No	0	0
Total	31	100

As shown in Table 19, the responses of the participating

organizations are very evenly spread across most of the

possible symptoms or problems.

T A B L E   19

RESPONSES TO QUESTION 18

	Responses	
		Per
	Number	Cent
Have any serious difficulties or problems been encountered in implementing this program?		
a) lack of cooperation by managers and/or employees in trying to make the program work-- resistance	11	18
b) lack of interest --apathy	10	17
c) lack of understanding by managers and/or employees of what they are supposed to do-- need for more communication or training in procedure	13	22
d) procedure takes too much time--not enough time available	10	17
e) failure to follow up and periodically evaluate success of measures	11	18
f) other (specify)	5	8
Total	60	100

Many of the organizations had experienced problems with

the failure of managers and subordinates to follow up and

periodically evaluate the accomplishment of goals or plans.

Each of the other problem areas was indicated by a significant

percentage of the respondents in the survey, but none was common

to a very large number of the organizations.

It therefore seems clear that communication, training, and evaluation of the success of the program are the most common problem areas for organizations that adopt organization renewal techniques.

As shown in Table 20, none of the organizations responding now plans to phase out or abandon the use of organization renewal.

T A B L E 20

RESPONSES TO QUESTION 19

	Responses	
	Number	Per Cent
Do you currently have any plans to make changes or modifications in the present program?		
(a) We plan to phase out or abandon the program	0	0
(b) We plan to extend the program to additional subdivisions of the organization	11	34
(c) We plan to modify the program	10	33
(d) No plans indicated	10	33
Total	31	100

Table 21 indicates that several organizations have been successful in their attempt to transplant their renewal program from one part of their organization to another; 18 per cent have tried to do so without success; 41 per cent have never made such an attempt for one reason or another--in most cases because they had not yet had an opportunity to do so.

T A B L E   21

RESPONSES TO QUESTION 20

	Responses	
		Per
	Number	Cent
If you have attempted to transplant the organization renewal program from one part of your organization to another, how successful was this attempt?		
a) No attempt	13	41
b) Successful	13	41
c) Not successful	5	18
Please comment if b or c:		
Total	31	100

Table 22 indicates that of the organization renewal processes which were installed and since discarded, the most prevalent reason (31 per cent) was failure to follow up and evaluate success of measures. The next most prevalent reason

(24 per cent) was apathy.

T A B L E   22

RESPONSES TO QUESTION 21

	Responses	
	Number	Per Cent
If an organization renewal process or plan mechanism was installed in your organization and was since discarded, why was it discarded?		
a. resistance	2	15
b. apathy	3	24
c. need for more communication or training in procedure	2	15
d. not enough time available	0	0
e. failure to follow up and evaluate success of measures	4	31
f. other (specify)	2	15
Total	13	100

As Table 23 shows, 33 per cent of the organizations who do not use organization renewal have never specifically considered such a program and 7 per cent currently have plans to institute such a program in the near future. The most common reasons cited for not using organization renewal are that it does not fit their type of operation or that it is too time consuming. This refers to divisions or plants which have not yet adopted organization renewal, but whose parent organizations generally have.

RESPONSES TO QUESTION 22

	Responses	
	Number	Per Cent
If you do have a formal organization renewal plan what is the principal reason such a program has not been adopted?		
a. we plan to institute such a program in the near future	1	7
b. it is still under consideration	0	0
c. a program of this type has never been specifically considered	5	33
d. does not fit our type of operation	2	13
e. too time consuming	3	20
f. too complicated and/or difficult to administer	1	7
g. not acceptable to our personnel	0	0
h. our personnel would not be interested in this type of program	0	0
i. not needed -- we are satisfied with our present appraisal system	1	7
j. other	2	13
Total	15	100

Table 24 shows the means used to introduce and imple-

ment organization renewal, including the type and extent

of training employed. About 39 per cent of the organizations

used extensive participative training for both managers

and subordinates who participate in the program, and '6

per cent utilized directives from line management.

T A B L E 24

RESPONSES TO QUESTION 23

	Responses	
	Number	Per Cent
How was the program introduced and implemented?		
a. directive from staff management	4	13
b. directive from line management	5	16
c. meetings to explain program to managers only	0	0
d. meetings to explain program to managers only	2	6
e. discussion or seminar sessions for managers only	1	3
f. discussion or seminar sessions for managers and subordinates	4	13
g. a series of discussion and training sessions involving active participation through case discussions, skill practice, role playing, etc., for managers only	3	10
h. a series of discussion and training sessions involving active participation through case discussions, skill practice, role playing, etc., for managers and subordinates	12	39
Total	31	100

Another 13 per cent of the organizations held
seminars to tell both managers and lower-level parti-
cipants about the program. It is apparent that the organi-
zations surveyed utilized means of introducing organization
renewal covering the full range of alternatives listed in the
questionniare. It should be noted that 71 per cent of the
organizations chose to use some means of introduction and im-
plementation which went beyond the mere issuing of a directive.

In the majority of organizations, the program of introduction and training was principally conducted by organization staff, as shown in Table 25.

T A B L E 25

RESPONSES TO QUESTION 24

	Responses	
	Number	Per Cent
Who conducted the program of introduction and/or training?		
(a) organization line executives and managers	5	19
b) organization staff	11	33
c) outside consultants	4	12
d) combination of (a), (b), and (c)	8	26
e) other	3	10
Total	31	100

Table 26 shows the respondents' judgements about
the involvement in, and support of, organization renewal
by their organizations' top line management. The largest
number of respondents indicated top management support
at the highest level of the alternatives offered -
i.e. all-out enthusiasm shown by frequent attempts
to "sell" philosophy to the organization.

T A B L E   26

RESPONSES TO QUESTION 25

	Responses	
	Number	Per Cent
How would you characterize the degree of support and involvement of top line management in the program?		
a. little confidence or interest	4	13
b. go along with the program passively	5	16
c. stated belief and support of objectives in management directives, but little regular involvement	7	22
d. frequently mentioned in staff meetings, frequent requests for reports, and subordinate managers are evaluated on success in utilizing program	3	10
e. all-out enthusiasm shown by frequent attempts to "sell" philosophy to organization	12	39
Total	31	100

A sizeable number of the respondents (22 per

cent) said that top management support of the program

in their organization was at the middle level, involving

stated belief and support of objectives in management

directives, but little regular involvement. Another

10   per cent said that top management frequently

mentioned the program in staff meetings, requested fre-

quent progress reports on the program and (perhaps

most important) evaluated subordinate managers on

their success in utilizing the program.

Thus over 49 per cent of the respondents indicated

a relatively high level of top management support for the

program, including day-to-day involvement in the program

and personal utilization of the program in managing

subordinates. Less than 29 per cent of the respondents

said that top management support was at the two lowest

levels indicated in the questionnaire. One might expect

that the level of top management support for organization

renewal would be closely related to its success, and this was,

in fact, one of the specific hypotheses investigated in

this research. The statistical analysis of this relation-

ship is discussed later in this thesis.

Table 27 shows the extent to which use of organi-
zation renewal is voluntary at different organizational
levels of the organizations surveyed.

T A B L E 27

RESPONSES TO QUESTION 26

	Yes		No		Total	
	Number	Per Cent	Number	Per Cent	Number	Per Cent
Has participation in this program been voluntary:						
a. within major divisions of the organization	15	68	7	32	22	100
b. within departments?	20	91	5	9	22	100
c. within subunits of de- partments?	15	75	5	25	20	100
d. with individual sub- ordinates?	16	76	5	24	21	100

The most important conclusion that can be drawn

from this table is that the adoption of organization renewal

is voluntary in the majority of the organizations surveyed

(77 per cent), It is interesting, however, that in 91 and 76 per

cent of the organizations, the program is voluntary within

departments and with individual subordinates, and that in

 75 per cent of the organization it is voluntary within sub-

units of departments. Presumably, it is generally the

same organizations which indicate voluntarism at the de-

partmental, subunit and individual levels. Thus, about

 81   per cent of the organizations allow divisions to

decide individually whether to adopt organization renewal;

but once this decision is made, the vast majority of organi-

zations do not allow choice within a division, in the matter

of participation.

The responses to Question 26 of the questionnaire

(tabulated in Table 27 above)were also used to construct an

index of voluntarism. This index was computed by determining,

for each organization, the total number of "yes" responses

to all parts of Question 26. The index thus represents the

total number of levels within an organization at which parti-

cipation in the organization renewal program is voluntary.

This index was computed primarily for the purpose of further
analysis of the relationship between voluntarism and success
of organization renewal. The indexes computed are summarized
in Table 28.

T A B L E   28

RESPONSES TO QUESTION 26
(SCORED FOR INDEX OF VOLUNTARISM)

| | Responses | |
	Number	Per Cent
Index of voluntarism (number of "yes" checks for each organization)		
Zero	10	32
One	2	6
Two	6	19
Three	2	6
Four	11	35
Total	31	100

The index data further confirm the conclusions reached
in discussing Table 27. Although participation in organization
renewal is required at <u>all</u> levels in a large number of
organizations (32 per cent), in 35 per cent of the organi-
zations participation is voluntary at all levels. Thus, the dis-
tribution is basically bimodal. The most common responses indicated
either very little voluntarism or a great deal of voluntarism.

Table 29 indicates that of the participating

organizations , the vast majority have or have had a

formal organizational development staff to carry out their

program of organization renewal. Only   26 per cent do not.

T A B L E   29

RESPONSES TO QUESTION 30

	Responses	
	Number	Per Cent
Do you have or have you had a formal organizational deveiopment staff		
Yes	23	74
No	8 .	26
Total	31	100

This high percentage of OD staffs was to be expected

since the organizations to be surveyed were   selected from

those considered to be prominent in the OD field.

Table 30 provides data on the sizes of the organization

development staffs, where such staffs exist. It also indicates the .

number of years such staffs have been in existance. The most

prevalent (46 per cent) OD staff size is seen to consist of

from two to five people. Only 13 per cent of the staffs

are over 10 people.   - 70 -

The majority of OD staffs have been in existence from five to ten years representing 65 per cent of the participants. Only 9 per cent have functioned more than ten years.

<div align="center">T A B L E 30</div>

<div align="center">RESPONSES TO QUESTION 31</div>

	Responses	
		Per
	Number	Cent
Please indicate the following:		
a. OD staff size: 1. 1 person	5	21
2. 2-5 people	10	46
3. 5-10 people	5	21
4. over 10	3	13
Total	23	100
b. length OD staff has (had) been in existence:		
1. less than 1 year	0	0
2. 1-5 years	6	26
3. 5-10 years	15	65
4. over 10 years	2	9
Total	23	100

Table 31 indicates the average number and size of field installations for those participants having such installations. 38 per cent of such participants have between one and ten field installations. The most prevalent (58 per cent) average field installation size is under one thousand people.

T A B L E   31

RESPONSES TO QUESTION 32

	Responses	
	Number	Per Cent

If your organization includes field installations,
please indicate the following:
a. number of major semi-autonomous or auto-
   nomous field installations:

	Number	Per Cent
1. 1 - 10	9	38
2. 10- 20	1	4
3. 20 -50	5	21
4. 50 -100	3	12
5. 100-200	2	8
6. over 200	4	17
Total	24	100

b. approximate (average) size of field installa-
   tions:

	Number	Per Cent
1. Under 1,000	14	58
2. over 1,000	10	42
Total	24	100

Table 32 indicates the annual revenue or budget of
the organizations participating in the survey. The most prevalent
(49 per cent) of the organization have annual revenues or budgets
of between 100 and 500 million dollars. Only a very few (16 per
cent) are at a level below 100 million.

T A B L E   32

RESPONSES TO QUESTION 33

	Responses	
	Number	Per Cent
What is your organization's total annual revenue or budget		
a. Under 50 million	3	10
b. 50 -100 million	2	6
c. 100 -500 million	12	49
d. 500 million - 1 billion	3	19
e. 1-5 billion	6	19
f. over 5 billion	5	16
Total	31	100

Table 33 indicates the size distribution (in terms
of the number of employees) of the organizations participating
in the survey.

T A B L E   33

RESPONSES to QUESTION 34

Number of Employees	Responses	
	Number	Per Cent
under 1,000	4	13
1,000 - 5,000	2	6
5,000 - 10,000	6	19
10,000 - 25,000	4	13
25,000 - 50,000	9	28
50,000 - 100,000	3	9
over 100,000	3	13
Total	31	100

Table 34 shows the proportion of the work force in each of the organizations surveyed consisting of engineering and technical, professional, and managerial employees.

T A B L E   34

RESPONSES TO QUESTION 35

	Responses	
	Number	Per Cent
What proportion of your work force consists of engineering and technical, professional and managerial employees?		
a) over 90%	0	0
b) 75% - 90%	1	3
c) 50% - 74%	7	22
d) 25% - 49%	11	34
e) less than 25%	12	41
Total	31	100

B. Selected Cross Tabulations and Statistics

Table 35 contains a cross tabulation of the success of organization renewal and the method used to introduce the approach to the organization.

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SUCCESS OF ORGANIZATION RENEWAL PROGRAM AND
METHOD OF INTRODUCTION

Method of In-troduction	Success of Program					
	Highly Successful	Moderately Successful	Mediocre	Rather Unsuccessful	Nearly A Total Failure	Total
Staff Directive	0	2	0	2	0	4
Line Directive	0	5	0	0	0	5
Explanatory Meetings						
Managers only	0	0	0	0	0	0
Managers and Subordinates	1	0	1	0	0	2
Seminars						
Managers only	0	1	0	0	0	1
Managers and Subordinates	1	3	0	0	0	4
Participative Training						
Managers only	1	2	0	0	0	3
Managers and Subordinates	5	6	1	0	0	12
Total	8	19	2	2	0	31

Chi Square = 27.97466; Degrees of Freedom =   18;   Significance = 0.0624

There was a significant relationship found between these two factors. It is interesting to note in Table 35, that the modal response of organizations having highly successful organization renewal applications appears to be that highly participative programs involving a series of meetings for managers and subordinates were used to introduce the approach. The next most common response of this highly successful group of organizations was that a series of such participative meetings were used for managers alone. A majority of the highly successful programs were introduced by a series of participative meetings for managers alone or managers and their subordinates.

The modal response of organization with moderately successful programs was that a series of participative meetings for both managers and subordinates was used in the introduction phase; less than half of the moderately successful programs were introduced by such participative meetings for either managers alone or managers and subordinates. It should be noted that these two responses to the question dealing with the amount and type of training in organization renewal represent the most extensive training programs, as well as the most participative. Thus, extensive and participative training programs appear to be associated with the more successful applications of organization renewal.

On the other hand, the model response of organizations having mediocre organization renewal applications or worse was that the only training used consisted of explanatory meetings for managers.

Table 36 shows the relationship between the success of the respondents' organization renewal approach and the existence of objective measurements of the effects of the program.

T A B L E 36

SUCCESS OF ORGANIZATION RENEWAL PROGRAM AND

OBJECTIVE MEASUREMENT OF ITS EFFECT

Success of Program

Attempt to Measure Effect Of Program	Highly Successful	Moderately Successful	Mediocre	Rather Unsuccessful	Nearly A Total Failure	Total
Yes	4	14	0	0	0	18
No	4	5	2	2	0	13
TOTAL	8	19	2	2	0	31

Chi Square = 7.65586; Degrees of Freedom = 3; Significance = 0.0537

Those organizations which attempt to measure objectively

the impact of their organization renewal programs report a

considerably higher proportion of successful programs. The

organizations that attempt objective measurement of the pro-

gram's impact said that all of their programs were either

highly or moderately successful; whereas less than three quar-

ters of the organizations without such measurements said their

programs were either highly successful or moderately successful.

Less than one third of the programs without objective measure-

ment were rated as being mediocre or worse, while none of the

programs with objective evaluation were rated as mediocre or

worse.

Table 37 shows the relationship between the

success of organization renewal and the support and involvement

of top management.

T A B L E 37

SUCCESS OF ORGANIZATION RENEWAL PROGRAM AND

TOP MANAGEMENT SUPPORT

Top Management Support	Success of Program					
	Highly Successful	Moderately Successful	Mediocre	Rather Unsuccessful	Nearly A Total Failure	Total
Little interest or confidence	0	1	1	2	0	4
Passive support	1	3	1	0	0	5
Stated support in memos, little involvment	1	6	0	0	0	7
Frequently mentioned, progress reports requested, subordinates evaluated on use of program	1	2	0	0	0	3
Sells philosophy to organization, emphasis as major management commitment	5	7	0	0	0	12
Total	8	19	2	2	0	31

Chi Square = 22.74146; Degrees of Freedom =12; Significance = 0.0300

It is apparent that a relationship exists between these two variables. Organization renewal programs given the highest level of top management involvement and support had by far the highest amount (a little less than half) of highly successful organization renewal applications. Of the organization renewal programs given the highest level of top management support, all were seen as either highly successful or moderately successful, and about one third of the program which received the next to the highest level of top management support were highly successful.

The overall trend of the data is that high levels of top management support and involvement tend to be associated with the most successful organization renewal applications, and the lowest levels of top management involvement appear to be associated with the less successful organization renewal applications.

It is also interesting that the modal response of organizations having highly successful organization renewal applications was that organization renewal receives the highest level of top management involvement and support. Of these highly successful programs, over half receive the highest level of top management support.

By contrast, the modal response of organizations with moderately successful organization renewal applications was that top management support and involvement were closer to

the median level, although a little less than half of these
moderately successful programs received the highest or next
to the highest level of top management involvement and support.
By further contrast, the modal response of organizations with
mediocre organization renewal applications was that top management
support is only passive or minimal; and all of the organizations
with unsuccessful organization renewal applications saw top
management support as being with little interest or confidence.

As indicated in Table 38, there is a relationship between
the success of organization renewal and the frequency of formal
follow-up and review of the program's effectiveness.

This result is largely due to the fact that a higher
proportion of the organizations having highly or moderately
successful programs conduct relatively frequent reviews.

T A B L E 38

SUCCESS OF ORGANIZATION RENEWAL PROGRAM AND

FREQUENCY OF REVIEW

Success of Program

Frequency of Formal Review	Highly Successful	Moderately Successful	Mediocre	Rather Unsuccessful	Nearly A Total Failure	Total
Hardly ever	0	0	0	1	0	1
Annually	1	5	1	1	0	8
Semiannually	2	2	0	0	0	5
Quarterly	2	3	C	0	0	5
Monthly	2	0	0	0	0	2
More frequently than monthly	2	9	1	0	0	12
Total	8	19	2	2	0	31

Chi Square = 28.80840; Degrees of Freedom= 15; Significance= 0.0526

It is also important to note that a very large number
of the organizations surveyed (including many with successful
organization renewal applications) said the failure of managers
and subordinates to conduct formal reviews as scheduled was a
serious problem.

Table 38 shows that 100 per cent of the programs reviewed
on a monthly basis were highly successful. 92 per cent of the
programs reviewed more frequently were either highly or mod-
erately successful.

The four hypotheses upon which these cross tabulations
were based were concerned with some of the situational deter-
minants of success of organizational renewal. Hypothesis 1
stated that there would be a significant correlation between the
success of an organization renewal application and the amount and
type of instruction used in its introduction and implementation.
Hypothesis 2 was that significantly more successful applications
of organization renewal would be reported by organizations which
have made an attempt to measure the impact of the program on
such objective criteria as volume, quality, profits, morale,
and turnover. Hypothesis 3 concerns the relationship between
top management involvement in, and support of, organization
renewal and its success. Hypothesis 4 was that there would be
a significant correlation between the frequency of follow-up
and review of the accomplishment of objectives and the success
of organization renewal. To test these hypotheses, chi square
tests were computed of the matrix formed by responses to the

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two questions appropriate to each hypothesis. In each case,

the test indicated a statistically significant relationship

between the two variables. Thus, it would appear that there is

reason to confirm the four hypotheses and to conclude that these

four relationships do exist.

V- STUDIES OF PERFORMANCE APPRAISAL PRACTICES
IN SEVERAL SELECTED ORGANIZATIONS

Four organizations utilizing the organization renewal

process were selected for more detailed analysis. Two

of the organizations hereinafter referred to as organizations

A and B had reported highly successful results with this

approach. The other two (C and D) had reported less success

or mixed success. Interviews were held with appropriate

officials in the organization, to gather more detailed

information on the organization renewal approach used,

to sample reactions to the approach, and to obtain addi-

tional evaluation of its success in accomplishing the

goals established for the organization renewal program.

Because of the small sample of four organizations

involved in the detailed studies, no attempt has been

made to analyze the findings statistically or to test

hypotheses. Such procedures would not be appropriate

for a sample of four organizations.

However, comparisons on a clinical basis of the

organization renewal programs in the sample of four

organizations revealed a number of interesting patterns in

the data. While these findings cannot be considered conclusive
(because of the small sample), there is a general pattern of
factors that may be significant in the success of organization
renewal programs.

Also, it appears that the broad patterns observed in the
data may reveal general relationships between type of organiza-
tion renewal program, situational factors in the organizations
and administration of the program, and the effectiveness of
the program.

Both Organizations A and B place primary emphasis of
their organization renewal program on employees at the manager
level and above. Top management is seen as placing considerable
emphasis on the program as a broad approach to overall management
and as a major management commitment. The expectation has been
established that all eligible employees will participate meaning-
fully in the approach and that it will result in improved
management of the organization. In short, organization renewal
program is seen as a process of management rather than as a
"personnel program" for appraisal. In both organizations, par-
ticipation in the program is required rather than voluntary or
optional.

Both organizations have supported the organization
renewal approach with large-scale training and communications
programs. Organization D has also had a formal research program
to evaluate the organization renewal approach and to modify
it during implementation in light of the research findings.

Organizations A and B have employed the organization
renewal approach for a number of years and feel that up to
three years were required for training and practice before
the program became really effective. In both cases, imple-
mentation was apparently rather slow and difficult, and
significant obstacles had to be overcome before the program
had an important positive influence on the operation of the
organization.

In Organizations C and D (the two organizations
with less success or with mixed success), there appears to be
little direct top management support of, or day-to-day involve-
ment in, the operation of the organization renewal program. Partly
as a result of this, in Organization C participation was indicated
as more voluntary or optional than it is in either Organizations
A or B. Participation is required, however, in Organization D.

In both Organizations (C and D) there is also
little central control or direction of the organization
renewal program. In Organization C, each division is
free to determine the specific approach it will use,
and the central personnel staff mainly provides advice
and communication support. The personnel staff does not
audit the use which the divisions make of the program.
In Organization D, there has apparently never been a
clear definition of exactly what the program is supposed
to accomplish, and there is little direction from the
personnel staff on how to set specific measurable goals
and how to establish measures of results.

In Organizations C and D, the organization renewal
has apparently had little overall impact on management or
its results, although the approach appears to have been
helpful in some areas. At the same time, the use of the
organization renewal approach does not appear to have been
a major management commitment.

One difference between Organization C and D in the
administration of the organization renewal approach is
particularly interesting. Organization D has apparently
conducted very little training in the use of organization
renewal, except for individual counseling as requested.

On the other hand, Organization C has had a truly massive and widespread training program for all levels of participants. The training program has included a wide variety of lectures, discussions, and participatory training, as well as a significant communication effort involving numerous brochures, management memos, and newsletters. Although there was evidence elsewhere in the research that training can help substantially to implement an organization renewal approach, it is apparently not sufficient by itself to ensure its success.

Table 39 provides for comparison purposes a summary of the key organization renewal practices of organizations A, B, C, and D. This table is provided to help the reader "get a feel" of the major aspects of the four organizations interviewed.

T A B L E 39

COMPARISON OF KEY ORGANIZATION RENEWAL PRACTICES
OF ORGANIZATIONS A, B, C, AND D

Practice	Organization			
	A	B	C	D
Success of Program				
Highly Successful	X	X		
Mediocre			X	
Rather unsuccessful				X
Method of Introduction				
Staff directive				X
Explan. mtgs (mgrs & subord)			X	
Participative training (mgrs & subord)	X	X		
Attempt to Measure Effect				
Yes	X	X		
No			X	X
Top Management Support				
Little interest or confidence				X
Passive support			X	
Frequently mentioned reports		X		
All-out support	X			
Frequency of Review				
Hardly ever				X
Annually			X	
Quarterly	X			
Monthly		X		

VI -CONCLUSIONS AND IMPLICATIONS FOR FUTURE
APPLICATION OF ORGANIZATION RENEWAL

A significant number of prominent organizations in
the private and public sectors have adopted organization re-
newal. None of the surveyed organizations plans to phase
out or abandon its organization renewal approach.

Conclusions

On the basis of these facts, organization renewal
clearly is considerably beyond the stage of being a manage-
ment fad. Rather, it appears to represent a permanent and
often significant change in an organization's basic approach to
management. There is a wide latitude, however, in the
seriousness with which top managements have viewed organi-
zation renewal.

There is convincing evidence that, when organization
renewal is viewed principally as a "personnel program" or
another management gimmick, it meets with the expected resis-
tance, is given minimum middle-management support, and has
little, if any, effect. There is also evidence that, when
the approach has top management support and is viewed as a
new approach to management which has as its goal the greater
commitment and involvement of the entire work force, organi-
zation renewal can have and frequently does have a significant
positive influence on the organization. This influence has most

often been on such indirect factors as motivation, commitment, and morale. In fewer instances, it is seen as having a direct influence on productivity and profitability.

To be successful, organization renewal involves a change in basic approach to management (toward a more participative emphasis that pushes responsibility downward in the organization), requires top management support and participation, and involves the learning of new skills and new attitudes. For these reasons, it is by no means an easy approach to implement. Superficial efforts to introducing organization renewal as a new "personnel program" do not succeed in making any impact on the organization. Even those organizations that have made the most serious and wholehearted attempts to introduce organization renewal have encountered serious problems, and have found the task difficult.

Typically, several years are required to acquire a real understanding of the approach throughout the organization, and for managers and subordinates to get sufficient training and practice to develop real skill in successfully implementing the new techniques.

However, the most crucial factor in determining
the outcome of an organization renewal approach is the
commitment and daily involvement of top management in the
approach. Without this commitment and involvement, even the
best-designed and -administered programs have less chance for
success. With top management emphasis organization de-
velopment as a major management commitment .to a new
style of management, even serious obstacles have been
overcome in time.

Both programs that emphasize implementation from the
top downward and programs that emphasize implementation at
a point near to the middle have been successful. Which
approach works best probably depends primarily on the in-
dividual requirements and on the expectations of the in-
dividuals involved.

Organizational renewal typically is not uniformly
successful or unsuccessful throughout the organization in
which it is applied, probably because of individual variation
in the commitment and skills required for such an approach.

Even organizations that have the most successful
applications of organization renewal have recalcitrant
managers who give only lip service to the approach and "go
through the paces" only to conform to formal requirements.

Thus, in their areas, the organization renewal program

has little real significance or impact, even though it

may be quite successful in the organization generally. Con-

verseley, organizations that have the least successful

organization renewal applications accompanied by little

top management involvement and support frequently have a

few managers who (because of their individual philosohpy

of management) have been successful in creating an enclave

environment where organization renewal is an integral part of

day-to-day management.

Implications For Future Application of Organization Renewal

The best prospects for a successful application of

organization renewal will probably be found in those situ-

ations where the initial impetus for the adoption of organi-

zation renewal comes from top management itself. When this

does not occur, there is ample evidence that securing this

commitment and involvement of top management should be the

first element of any implementation program.

The clearest and most fundamental implication of the

research is that the first priority in implementing an

organization renewal approach should be given to making

certain that top management has a full understanding of the

organization renewal concepts, the philosophy which underlies

the approach, and the demands that such an approach will
make on the organization and its managers. Unless and
until top management completely understands organization
renewal and is deeply committed to it as a basic new method
of management (as opposed to a superficial "program"),
the personnel staff can probably direct its energies more
productively toward other goals and programs.

Once commitment at the top level is achieved, these
executives should be involved, to the maximum extent possible,
in introducing the concept to their immediate subordinates
and to the organization, and in conducting the training
to develop skills in implementing this approach. Top manage-
ment can support the concept most effectively through
personal example by using organization renewal techniques
in dealing with their immediate subordinates. Beyond this,
it is extremely important that top management establish
the expectancy that all subordinate managers will adopt
the organization renewal concept, and that they will be
evaluated on their success in using organization renewal in
their organizations.

For these same reasons, it is highly desirable to in-
troduce and implement organization renewal in an organization
from the top downward on a rather slow and methodical basis,
and to avoid "crash program" attempts to implement the concept

throughout the organization at the same time. It appears that the best procedure may be for top management executives to use the approach initially with their immediate subordinates and staffs for a reasonable period of time before implementation on an organization-wide basis.

After these second-level executives have obtained considerable practice and developed skill in the various techniques available, it will then be appropriate for them to introduce the concept to their immediate subordinates. In this manner, organization renewal can be introduced step by step throughout the organization, and a basic understanding of the organization renewal philosophy and skill in the use of the approach at each level in the organization can be developed (through actual use of the approach for a reasonable period) before organization renewal is introduced to the next lower level. At each successive step, the maximum participation of each level of management in conducting the introduction and training phases for their subordinates should be encouraged.

There is some evidence that, in many organizations, it will be preferable to introduce organization renewal on a pilot basis in one or two divisions that appear most ready to accept such a concept. Which divisions to select will

depend, of course, on the interests and management styles of the top division management team, as well as on the type of tasks typically performed in the division. After the approach is working well in the pilot division, it can then be extended to other parts of the organization.

Because the research evidence on this issue is not entirely consistent, there are probably some organizations in which it will be desirable, or at least possible, initially to introduce organization renewal on an organization-wide basis. But this should be undertaken with caution and only after a careful evaluation of the organization and individuals to be involved. In the last analysis, this decision should probably depend on the individual requirements, attitudes, traditions, expectancies, skills and weaknesses of the organization and its work force.

Although a high level of participation by top management in introducing the approach is crucial, there is also considerable evidence that this effort should ideally be supported by a massive training effort --particularly training which emphasizes active participation and skill practice through such devices as role playing, case dis-

cussion, and simulation.

This requires sophisticated and technically expert training resources. Where those resources are available within the personnel staff of the organization, their impact on the success of the organization renewal approach can be considerable. When these resources are not present within the organization, there is evidence that the help of outside consultants in meeting these needs can be extremely useful.

Based on the results of this research, it appears highly desirable to establish at the outset, as an integral part of the organization renewal approach, a formal procedure for attempting to measure objectively the impact of organization renewal on such criteria as productivity, profitability, morale, and turnover. This recommendation is based on the principle that what management measures is seen to be important by the organization. Thus, in addition to providing feedback which will be useful in modifying and providing additional support to the approach where needed, measurement communicates top management's commitment to, and interest in, the organization renewal.

Such measurement could be established by comparing "experimental" organization renewal divisions or organizations with a matched "control" (a similar division doing similar work) that does not use organization renewal. Where this is

not feasible, consistent measurements on objective criteria could be made before and after adoption of organization renewal in the division or organization. In either case, emphasis should be placed on measuring the changes over a period of time in such objective criteria as productivity, profitability, morale and turnover.

Since the failure of managers and subordinates to follow up and review the effectiveness of this approach was seen as one of the most common major problems by the organizations surveyed (including many organizations with successful organization renewal applications), it seems especially desirable in initiating organization renewal to place considerable emphasis on review and followup as a key element in the approach.

Obviously, this step is crucial in achieving the intended results of an organization renewal approach -- feedback, self-evaluation, development, motivation, improved planning, and measurement. Therefore, this fact should be emphasized in implementing the approach, in supporting skill practice and training phases, and in administering and controlling the program.

For this reason, it seems highly desirable to set up a definite procedure and timing for the formal review

of the key variables, as well as administrative machinery
to ensure that the reviews take place for all participants.
Although the administrative machinery will necessarily con-
centrate on the formal review process, considerable
emphasis should also be placed on the value and importance of
more frequent informal reviews.

The question of how far down in an organization the
organization renewal approach should be applied is probably
one that can best be answered by a particular organization
on the basis of the requirements and constraints of the
organization; the content of jobs at different levels;
and the management climate and traditions. Organizations
have most often applied organization renewal to top-level
management jobs and have been progressively less inclined
to apply organization renewal at each successively lower
level in the organization. There may be some theoretical
support for this decision, in terms of job content and the
skills and expectations of individuals. There was, however,
no specific research finding to suggest, overall, that
organization renewal has been less successful at lower levels
than at upper levels of organizations.

Finally, a few words are appropriate at this point regarding what organization renewal really is. I will attempt to cover thi in the following paragraphs.

Organization renewal is, I feel, aptly defined as the planned, managed, systematic process to change the culture, systems, and behavior of an organization, in order to improve the organization's effectiveness in solving its problems and achieving its objectives. As a relatively new concept flowing out of behavioral science findings, organization renewal can be viewed as a way of looking at and enhancing the whole human side of organization life, just as more familiar concepts pay attention to the dimensions of organization life such as planning, production, marketing, finance, etc. The thrust of an organization renewal effort is focused on the whole of individual behavior and culture, including human climate, atmosphere and relationships.

Through a comprehensive and continuous organization renewal effort, an organization can analyse its own effectiveness, diagnose its own weaknesses and plan programs or interventions for its renewal.

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In reply write to:

February 13

Dear Sir:

We are sending the enclosed questionnaire to several of the most
prominent US organizations and organization development experts in
the private and public sectors. This research is under the direction
of Professor Edgar Schein and will provide data on current practices
regarding organizational renewal. Particular emphasis is given to the
success of techniques used especially in times of adversities such as
cutbacks, recessions, and the like. The results of the research in
summary form will be provided to participants and hopefully will be
of benefit in reviewing their own organizational renewal processes
and in considering future modifications thereto.

None of the participating organizations or personnel will be identi-
fied in any way by name or industry in the results of this research.
Therefore, please be assured that your answers will be kept in strictest
confidence throughout the conduct of this study.

Your participation will be a most valuable contribution to advancing
the state of knowledge in this important and relevant managerial area
of organizational development. I sincerely hope that the study results
in turn will be of value to you. It would be very much appreciated if the
questionnaire could be completed and returned to me at your earliest
convenience, hopefully by March 3, 1976. Thank you very much for your
help and cooperation.

Sincerely,

George P. Chandler, Jr.
MIT Alfred P. Sloan Fellow

PS: Please check here if you would desire a copy of the summary
    results of this research and the comprehensive bibliography
    on organization renewal we are preparing.

               Yes (   )   No (   )

SURVEY OF PRACTICE AND EXPERIENCE REGARDING

ORGANIZATION RENEWAL.

Instructions

Over the last several years, some organizations have adopted
new approaches to maintaining organizational vitality and
avoiding organizational stagnation. These programs fall within
the general area of organizational development and have gone
under a variety of names. They will be referred to here as
"organizational renewal." The origin of these new approaches
lies in the writing of such commentators as Beckhard, Lippitt
and Burke. Professor Richard Beckhard defines organizational
renewal as follows: "An effort (a) planned, (b) organization-
wide, (c) managed from the top, to (d) increase organization
effectiveness and health through (e) planned intervention in
the organization "process", using behavioral-science know-
ledge."

Professor Gordon Lippitt gives the following definition:
"Organizational renewal is the process of initiating,
creating and confronting needed changes so as to make it
possible for organizations to become or remain viable, to
adapt to new conditions, to solve problems, to learn from
experiences, and to move toward greater organizational
maturity."

Dr. Warner Burke's definition is:" The development of a
culture which institutionalizes the use of various social
technologies to regulate the diagnosis and change of inter-
personal group and intergroup behaviors, espescially those
behaviors related to organizational decision making, communi-
cation, and planning."

The purpose of this questionnaire is to determine which
organization renewal processes have been adopted, the experi-
ence which has been obtained to date with such programs
and an evaluation of their effectiveness. We have parti-
cular interest in the success of organization development
techniques used during adversities, such as revenue/budget
cutbacks, personnel cutbacks, salary compression, recession,

inflation, and/or other similar conditions.

This survey will provide data on the current practices
of major organizations in the field of organization re-
newal and an indication of trends and common problems.
The results of the survey in summary form along with
ҹ comprehensive bibliography will be supplied to all
participating organizations, and it is hoped that this
data will be useful to them in evaluating their own pro-
grams and planning future modifications. All reports of
the results will be in summary form only, however, and
none of the participating organizations will be identi-
fied in any way, either by name or industry.

We believe that your participation in this survey
will be extremely valuable in advancing knowledge in
this significant area of management practice. And we
sincerely hope the survey results may be of value to you
and your own organization.

Please notice that the majority of this questionnaire consists
of "yes/no" or multiple choice questions involving a
simple check-off operation and can be accomplished in
a very brief time. If time or circumstances should be
a constraint, please give priority to the check-off type
questions.

You may find that some questions may not be applicable
to your organization as a whole, but may be quite
appropriate to one or more elements thereof (i.e.
a division). In such cases, please answer for the element
and point this out under "comments."

We would appreciate very much your completing this questionnaire
and returning it to the following address at your earliest
convenience, hopefully by March 3, 1976.

Please be assured that all replies will be kept in the
strictest confidence. Your frank response will be extremely
helpful:

> Massachusetts Institute of Technology
> Alfred P. Sloan School of Management
> 50 Memorial Drive
> Cambridge, Massachusetts 02139
> Attn: 52-584/ George P. Chandler, Jr.

1.   Does your organization (or any part of it) currently
     have a plan for organizational renewal or prevention
     of organization stagnation: ( )
     Comments, if any:

2.   Is the application of your plan:
     a. limited to certain geographical (or product) subdi-
        visions   ( )
     b. limited to certain functional divisions or depts.?   ( )
     c. limited in accordance with both (a) and (b) factors?   ( )
     d. not limited --applied organization wide?   ( )
     Comments, if any:

3.   What was the principal reason(s) for top management's de-
     cision to adopt an organizational renewal program? (check
     as many as apply)
     a. cost reduction and/or increased productivity   ( )
     b. stimulate organizational development   ( )
     c. increase employee satisfaction   ( )
     d. increase participation in planning and decision
        making   ( )
     e. increase organizational motivation   ( )
     f. improve organizational planning   ( )
     g. other (specify)_____   ( )
     Comments, if any:

4.   What areas appear to be most adversely effected when ad-
     versaties are encountered by your organization (check
     as many as apply):
     a. volume   ( )
     b. quality   ( )
     c. morale   ( )
     d. motivation   ( )
     e. creativity   ( )
     f. image   ( )
     g. turnover   ( )
     h. profitability/cost effectiveness   ( )
     i. technology edge   ( )
     j. other (specify)_____   ( )

     Comments, if any:

5. By what means do you detect deterioration in:
    a. morale _____
    b. motivation _____
    c. creativity _____
    d. image _____
    Comments, if any :

6. Who is responsible for monitoring the organization renewal
    key variables to detect when corrective action is required
    and goals have been accomplished?
    a. top management   ( )
    b.middle management   ( )
    c. lower management   ( )
    d. organization development function   ( )
    e. other (specify)_____
    Comments, if any:

7. How frequently does the monitoring take place?
    a. practically never   ( )
    b. annually   ( )
    c. semi annually   ( )
    d. quarterly   ( )
    e. monthly   ( )
    f. more frequently than monthly   ( )
    Comments, if any:

8. Has there been a systematic attempt to measure impact
    and success of the renewal program in terms of objective
    criteria such as volume, quality, morale, etc?
                              Yes ( )   No ( )
    If yes, please comment:

9. What has been the observable impact of the program as
    a whole on the following criteria:

	no measure	negative	no change	positive
a. volume	( )	( )	( )	( )
b. quality	( )	( )	( )	( )
c. morale	( )	( )	( )	( )
d. motivation	( )	( )	( )	( )
e. creativity	( )	( )	( )	( )
f. image	( )	( )	( )	( )
g. turnover	( )	( )	( )	( )
h. profitability/cost effect	( )	( )	( )	( )
i. technology edge	( )	( )	( )	( )
j. other (specify)	( )	( )	( )	( )

9. cont'd
   comments if any:

10. What has been impact of any of the organization renewal
    approaches which you are using or have used: (please check
    in appropriate columns adjacent to each technique tried)

	no measure	negative	no change
a. Management retreats on goals/functions			
b. Seminars			
c. Consultant/change agent			
d. Survey, feedback and development			
e. Managerial grid			
f. Work planning and review (MBO)			
g. Open systems planning			
h. Manpower planning analysis			
i. Job design/enrichment/rotation			
j. Career path planning/assessment			
k. Flexible working hours			
l. Task force approach			
m. Confrontation meeting			
n. Sensitivity training			
o. Team building			
p. Scanlon or other incentive plan			
q. Reorganization			
r. Middle management training			
s. Sensing mechanisms			
t. Other (please specify) _____			
u. _____			
v. _____			

11. On the whole, how would you judge the success of the program
    to date in achieving its principal goal?
    a. highly successful   ( )
    b. moderately successful   ( )
    c. mediocre   ( )
    d. rather unsuccessful   ( )
    e. nearly a total failure   ( )
    Comments, if any:

12. Which of the modes is your system designed to operate in:
    a. as an on-going system continually applied to prevent
    problems before they arise?   ( )
    b. as a one-shot system for problems after they arise? ( )
    c. both (a) and (b) above?   ( )
    Comments, if any:

13. Which of the following types of factors is your
    organizational renewal system designed to deal with:
    a. externally generated adversities (i.e. recession,
    budget cut, competition, etc.)?   ( )
    b. internally generated adversities (i.e., limit growth
    prospects, etc.) ?   ( )
    c. both (a) and (b) above?   ( )
    d. other, (specify)_____( )
    Comments, if any:

14. If your answer to the above question was "external" please
    indicate the factors your process deals with (check as many
    as apply):
    a. economic recession   ( )
    b. inflation   ( )
    c. reduction in budget   ( )
    d. reduction in work force   ( )
    e. freeze in promotions or salaries   ( )
    f. freeze in maximum salary   ( )
    g. competition from other organizations   ( )
    h. high cost of living for certain locations   ( )
    i. deterioration of public image or public support   ( )
    j. other (specify)_____ ( )
    Comments, if any:

15. What is the single most critical or complex adversity
    or problem with which your organizational renewal program
    must deal?

16. Has your organization renewal program survived in bad
    times as well as good?
                        Yes ( )   No ( )
    Comments, if any:

17. Do you consider your organization renewal program
    as important during prosperity as during adversity?
             Yes ( )   No ( )
    Comments, if any:

18. Have serious difficulties been encountered
    in implementing the program?
    a. lack of cooperation by managers and/or employees
       in trying to make the program work --resistance   ( )
    b. lack of interest --apathy   ( )
    c. lack of understanding by managers and/or employees
       of what they are supposed to do--need for more
       communication or training in procedure   ( )
    d. procedure takes too much time --not enough time
       available   ( )
    e. failure to follow up and periodically evaluate
       success of measures   ( )
    f. other (specify)_____ ( )
    Comments, if any:

19. Do you currently have any plans to make changes or
    modifications in the present program?
    a. we plan to phase out or abandon the program   ( )
    b. we plan to extend the program to additional subdi-
       visions of the organization   ( )
    c. we plan to modify the program (specify) _____   ( )
       _____

    Comments, if any:

20. If you have attempted to transplant the organization renewal
    program from one part of your organization to another, how
    successful was this attempt:
    a. No attempt   ( )
    b. Successful   ( )
    c. Not successful   ( )
    Please comment if b or c:

21. If an organization renewal process or plan mechanism was
    installed in your organization and was since discarded, why was
    it discarded?
    a. resistance   ( )
    b. apathy   ( )
    c. need for more communication or training in procedure   ( )
    d. not enough time available   ( )
    e. failure to follow up and evaluate success of measures ( )
    f. other (specify)_____ ( )
    Comments, if any:

22. If you do not have a formal organization renewal plan
    what is the principal reason such a program has not been
    adopted?
    a. we plan to institute such a program in the near future ( )
    b. it is still under consideration ( )
    c. a program of this type has never been specifically
       considered ( )
    d. does not fit our type of operation ( )
    e. too time consuming ( )
    f. too complicated and/or difficult to administer ( )
    g. not acceptable to our managers ( )
    h. our managers would not be interested in this type
       of program ( )
    i. not needed --we are satisfied with things the way
       they are ( )
    j. other (specify)_____ ( )
    Comments, if any:

23. How was the organization renewal program introduced and
    implemented?
    a. directive from staff management ( )
    b. directive from line management ( )
    c. meetings to explain program to managers only ( )
    d. meetings to explain program to managers and subor-
       dinates ( )
    e. discussion or seminar sessions for managers only ( )
    f. discussion or seminar sessions for managers and
       subordinates ( )
    g. series of discussion/training sessions involving
       active participation through case discussions, etc.
       for managers only ( )
    h. series of discussion/training sessions involving
       active participation through case discussions, etc.,
       for managers and subordinates ( )
       Comments, if any:

24. Who conducted the program of introduction and/or training?
    a. organization line executives and managers ( )
    b. organization staff ( )
    c. outside consultants ( )
    d. combination of (a), (b), and (c) ( )
    e. other (specify)_____ ( )
    Comments, if any:

25. How would you characterize the support and involvement
    of top management in the program?
    a. little confidence or interest   ( )
    b. go along with program passively   ( )
    c. stated belief and support of objectives in
       management directives, but little regular involvement ( )
    d. frequently mentioned in staff meetings, frequent
       requests for reports, and subordinate managers are
       evaluated on success in utilizing program   ( )
    e. all-out enthusiasm shown by frequent attempts to
       "sell" philosophy to organization.   ( )
    Comments, if any:

26. Has participation in this program been voluntary:
    a. within major divisions of the Company   ( )
    b. within departments   ( )
    c. within subunits of departments   ( )
    d. with individual subordinates   ( )
    Comments, if any:

27. Could you send me a copy of the results of your measurements
    of the impact of your organization renewal program?
    If not, could you describe the results to me?

28. Please describe the principal features (procedures,
    policies, practices, etc) of your organizational renewal
    program not covered elsewhere in this questionnaire?

29. Are there any other things about this process I have not asked
    about that you think might be of interest to the research?

30. Do you have or have you had a formal organizational development
    staff?

                 Yes ( )   No ( )

31. If so, please indicate the following:
    a. OD staff size: 1. 1person   ( )
                      2. 2-5 people   ( )
                      3. 5-10 people   ( )
                      4. over 10   ( )
    b. length OD staff has (had) been in existence:
                      1. less than 1 year   ( )
                      2. 1-5 years   ( )
                      3. 5-10 years   ( )
                      4. over 10 years   ( )

32. If your organization includes field installations, please
    indicate the following:
    a. number of major semi-autonomous or autonomous field
       installations:_____

    b. approximate (average) size of field installations:

    _____

33. What is your organization's total annual revenue or budget?

34. What is your organization's total manpower?
    a. under 1000   ( )   d. 10000 - 25000   ( )
    b. 1000 - 5000   ( )   e. 25000 - 50000   ( )
    c. 5000 - 10000 ( )   f. 50000 - 100000   ( )
                                  g. over 100000   ( )

35. What proportion of your work force consists of engineering and technical, professional, and managerial employees?
    a. over 90%   ( )   d. 25% - 49%   ( )
    b. 75% - 90%   ( )   e. less than 25% ( )
    c. 50% - 74%   ( )
    Comments:

36. If you have any written material (announcements, instructions, procedures, brochures, training material, forms, etc) relating to your organization renewal program, please send me a sample of the more informative of these documents.

Questions 37 through 39 - ESPECIALLY FOR GOVERNMENT ORGANIZATIONS
                          (others need not answer these three questions)

37. Have you found effective measures to deal with the salary compression which resulting from the $36,000 ceiling (recently increased to $37,800)?
        Yes ( )   No ( )
    If yes, please elaborate:

38. Have you found effective ways to induce senior
    government employees to move to the Washington area
    (or other) in spite of the ceiling?
            Yes( )   No ( )
    If yes, please elaborate:

39. Have you found effective means of inducing senior
    industry people to government in spite of the salary
    ceiling?
            Yes ( )   No ( )
    If yes, please elaborate:

Thank you very much for your help!

Any additional comments you would care to make would be very
much appreciated.

Name of Respondent:
Title:
Name of Organization:
Address of Organization:

Please mail this completed questionnaire to:

                    Massachusetts Institute of Technology
                    Alfred P. Sloan School of Management
                    50 Memorial Drive
                    Cambridge, Massachusetts 02139
                    Attn: 52-584/ George P. Chandler, Jr.

APPENDIX B

INTERVIEW GUIDE FOR FOLLOW-UP
DETAILED STUDY OF SELECTED ORGANIZATIONS

1. Do you use organization renewal in the management of your subordinates?

2. How long ago was this process adopted by your organization?

3. How long have you been using this process (with your subordinates)?

4. What is your feeling about the process as it has been applied here?

5. Do you feel the approach has been useful and helpful to you (is it worth the time, etc.)?

6. In what ways?

7. Do you feel that sufficient time and attention is allotted to the process to realize its maximum potential?

8. Are you aware of any significant changes or improvements that have resulted from this process?

9. What were the goals of this approach when it was adopted?

10. Do you believe it has been successful in realizing these goals?

    highly successful   ( )
    moderately successful   ( )
    so-so   ( )
    rather unsuccessful   ( )
    nearly a total failure   ( )

11. What changes would you like to see in the process itself or in the way it is administered?

12. Have you attempted to measure directly the impact
    and success of this process in terms of objective
    criteria such as productivity, quality, profitability,
    costs, morale, turnover, etc.? (which criteria
    have you measured).

13. How successful has this measurement effort been?

14. Could you give me a copy of the results of these
    measurements? If not, could you describe the
    results to me?

15. To what extent do you feel these results were caused
    by the organization renewal approach and to what ex-
    tent were they caused by other factors?

16. What is the basis for this judgement?

17. What other factors affected these criteria measures,
    and in what ways?

18. Have you encountered any difficulties or problems
    in implementing this process ?(please explain)

19. How was it introduced and implemented in the organization?

20. What is the role of Personnel Staff in the administration
    of the process?

21. Do you have any written materials you could give me
    (announcements, brochures, training materials, forms)
    used in the program or which describe the approach
    itself and the process of introducing it to the
    organization?

22. Could you give me a sample of some completed documents
    used in this process?

23. Do you think of organization renewal here as primarily
    personnel process, or as an overall approach to management?

24. How do you go about appraising the value of your organization
    renewal techniques?

25. Is the appraisal written or oral?

26. Who initiates the appraisal?

27. Who reviews it?

28. How frequently do these (written or oral) appraisals take place in actual practice?

29. Is participation voluntary or required (for divisions, for departments, for individuals) ?

30. Do you have any records or statistics which show the percentage of employees (in your unit) who actually participate actively in the process?

31. On the whole, how would you characterize the degree of support and involvement of top line management in this approach?

32. Are there any other things about this process I haven't asked about that you think might be of interest to the research?

A P P E N D I X   C

LIST OF PARTICIPATING ORGANIZATIONS

Aetna Life and Casualty Co.
151 Farmington Avenue
Hartford, Connecticut   06115

All State Insurance Co
All State Plaza
Northbrook, Illinois   60062

Armour and Co.
Greyhound Tower
Phoenix, Arizona   85007

Armstrong Cork Co.
Lancaster, Pennsylvania   17604

Black and Decker Co.
701 E. Joppa Road
Towson, Maryland   21204

Borden, Inc.
1280 Grant Avenue
Columbus, Ohio   43201

Corning Glass Works
Corning, New York   14830

General Motors Corp.
3044 W. Grand Blvd.
Detroit, Michigan   48202

H.J. Heinz Co.
P.O. Box 57
Pittsburgh, Pennsylvania

Hertz Corp.
660 Madison Avenue
New York, New York   10021

Kaiser Aluminum and Chemical Corp.
300 Lakeside Drive
Oakland, California   94614

Mattel, Inc.
5150 Rosecrans Avenue
Hawthorne, California   90250

Mead Paper Co.
First National Plaza
Dayton, Ohio   45402

Pepsi Co., Inc.
Anderson Hill Rd.
Purchase, New York   10577

Pillsbury Co.
608 Second Avenue
Minneapolis Minnesota   55402

Proctor and Gamble Co.
P.O. Box 5118
Dallas, Texas   75222

RCA Astro-Electronics Division
P.O. Box 800
Princeton, New Jersey   08540

Saga Administrative Corp.
One Saga Lane
Menlo Park, California   94025

Shell Oil Co.
P.O. Box 2463
Houston, Texas   77001

Syntex Corp.
3401 Hillview Avenue
Palo Alto, California   94304

Texas Instruments Corp.
Dallas, Texas   75222

Travelers Insurance Co.
One Tower Square
Hartford, Connecticut   06115

U.S. Department of Agriculture
Washington, D.C.   20250

U.S. Department of Air Force
Washington, D.C.'   20330

U.S. Department of Army
Washington, D.C.   20310

U.S. Department of Commerce
Washington, D.C.   20230

U.S. Department of Health, Education, and Welfare
National Institute of Health
Bethesda, Maryland

U.S. Energy Research and Development Agency
San Francisco Operations Office
Oakland, California   94612

U.S. Federal Aviation Administration
Washington, D.C.   20591

Warner-Lambert Co.
201 Tabor Road
Morris Plains, New Jersey   07950

Western Electric Co., Inc.
2400 Reynolds Road
Winston-Salem, North Carolina   27106